THE MARYLAND MORTGAGE PROGRAM

Maryland HomeCredit

What is the Maryland HomeCredit Program?

Mortgage Credit Certificates (MCCs): The Basics

DHCD's **Maryland HomeCredit Program** provides eligible homebuyers with a mortgage credit certificate (MCC).

An MCC allows a homeowner to claim a tax credit for some portion of the mortgage interest paid each year for the life of the loan (i.e. until payoff, refinance, sale or transfer).

It is an annual, dollar-for-dollar reduction against the homeowner's federal tax liability.

Eligibility

Homebuyers that are eligible for a Maryland Mortgage Program loan are also eligible to receive an Maryland HomeCredit.

How Maryland HomeCredit Works

Each year, a homeowner that has an Maryland HomeCredit may claim a credit against their federal tax liability.

The amount they may claim is 25% of their total mortgage interest payments for that year, with a maximum tax credit value of $2,000.

Maryland HomeCredit Fees

A one-time fee is payable by a homebuyer when receiving a Maryland HomeCredit.

	Maryland HomeCredit BORROWER	Maryland HomeCredit **AND** MMP Loan BORROWER
HomeCredit Fee	$1,100	$450
Lender Fee (may apply)	up to $700	up to $350

Maryland HomeCredit and the Maryland Mortgage Program

Borrowers that apply for an MMP loan are not required to apply for an Maryland HomeCredit, and an Maryland HomeCredit can be applied for without applying for an MMP.

Eligibility requirements for both programs are identical, but application fees are different for MMP vs. non-MMP borrowers

Becoming An Maryland HomeCredit Approved Lender

Lenders must be approved by the State of Maryland / DHCD to apply for a Maryland HomeCredit on behalf of borrowers.

Approved MMP lenders are NOT automatically approved to apply for Maryland HomeCredits for borrowers, and must also submit an application.

Lender application documents and submission instructions can be found at mmp.maryland.gov/MDHomeCredit.

Calculating the Value of an Maryland HomeCredit

An Maryland HomeCredit can be used by a homeowner each year that the loan is in place, until payoff, refinance, sale or transfer.

The annual net benefit to the homeowner is likely to be slightly less than the face value of the tax credit, since the amount of mortgage interest that can be claimed as a deduction is reduced by the amount of that year's credit.

In all cases, however, the value of the credit is greater than the value of the equivalent deduction. Homeowners should consult a tax specialist for further advice.

For further details or to learn more go to **mmp.maryland.gov/MDHomeCredit**